



REPUBLIC OF KENYA



PUBLIC SERVICE COMMISSION



**Performance Rewards
and
Sanctions Framework for the
Public Service**

May, 2016

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and
Sanctions Framework for
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FOREWORD

The Government has been firmly committed to providing efficient and effective service delivery to the citizenry. To actualize this commitment, strong emphasis has been placed on productivity and performance improvement.

A key element in performance management is rewarding of exemplary performance and sanctioning of poor performance within a framework that also supports the objective to attract, nurture and retain qualified and highly productive staff. It is against this background that a Performance Rewards and Sanctions Framework in the public service has been developed with the objective of rewarding exemplary performance while sanctioning poor performance. Hitherto, rewards and sanctions framework have existed across the Public Service and implemented by different agencies without a unified and coordinated framework. A Performance Management System puts into sharp focus the performance of an individual employee and the subsequent contribution to institutional performance in achieving intended results.

This Performance Rewards and Sanctions Framework for the Public Service creates a centralized framework with clear criteria for rewarding exemplary performance and sanctioning poor performance. In so doing, institutional arrangements have been put in place to administer rewards and sanctions in the public service.

The Framework further details the circumstances under which recognition initiatives may be applied for employees who perform exceptionally well and therefore warrant

special recognition. It is envisaged that successful implementation of the Framework will serve to encourage excellence, recognize meritocracy, and address the issue of poor performance.

Beyond any doubt, the human resource remains a core factor in performance improvement and delivery of services needed to achieve national development goals. I wish, therefore, to recognize public servants who continue to strive for excellence in the noble duty of providing public services.

A handwritten signature in black ink, appearing to read 'M. Kobia', with a small dot at the end.

Prof. Margaret Kobia, PhD., CBS

Chairperson

Public Service Commission

PREFACE

The fundamental role of the Public Service is to translate Government policies into programmes and activities that result in improved quality of life for Kenyans. A high-performing and effective public service is, therefore, an essential tool for the country's socio-economic development.

To ensure that the public service operates in an efficient and effective manner, the Government has over the years institutionalized performance management systems such as Performance Appraisal and Performance Contracting which have been implemented as stand-alone strategies. The non-integrated approach on performance management has failed to address issues of measurement of performance, linkage of the various systems, recognition of exemplary performance, sanctioning of poor performance, and implementation of rewards and sanctions.

The rewards and sanctions strategies outlined in this Framework are meant to provide comprehensive financial and non-financial rewards to attract, nurture, develop and retain the best employees in the public service. The main objective is to ensure high levels of staff motivation on a sustainable basis, encourage excellence, meritocracy and address poor performance.

This Framework will be reviewed as need arises to ensure its relevance to the needs of the public service, national goals and objectives. Guidelines to operationalize this Framework will be developed and issued to the Service. It

is my sincere hope that it will meet the expectations of all the stakeholders and bring forth the expected gains to all the people of Kenya.

A handwritten signature in black ink, appearing to read 'Alice A. Otwala', with a horizontal line drawn through the middle of the signature.

**Alice A. Otwala (Mrs.), CBS
Secretary/Chief Executive Officer
Public Service Commission**

ACRONYMS

CEO	-	Chief Executive Officer
DPSM	-	Directorate of Public Service Management
HE	-	His Excellency
HR	-	Human Resource
MDAs	-	Ministries Departments and Agencies
PC	-	Performance Contract
PMS	-	Performance Management System
PS	-	Principal Secretary
SMART	-	Specific Measurable Achievable Realistic Timely
SPAS	-	Staff Performance Appraisal System
SWOT	-	Strengths Weaknesses Opportunities Threats

EXECUTIVE SUMMARY

This Framework provides a guide on the implementation of rewards and sanctions that will help the Government in institutionalizing performance management in the Public Service.

The rationale of the Performance Rewards and Sanctions Framework is to establish a basis for rewarding exemplary performance and administering sanctions for poor performance, motivate employees to have positive attitude to work and to enhance productivity in the Public Service. This will also create linkages between institutional and individual performance.

The overall goal of the Framework is to establish an integrated approach to boost performance and ultimately the productivity of the public service. The objectives will be to: establish a basis for rewarding exemplary performance; link rewards and sanctions to measurable performance; motivate public servants for improved productivity; encourage competitiveness in service delivery; and promote innovation and creativity in service delivery.

In developing this Framework, a participatory process was followed that entailed consultations with all key actors and relevant stakeholders. The exercise also involved review of relevant literature and reference to international best practices on rewards and sanctions.

The Framework creates a centralized system with clear criteria for rewarding excellent performance and sanctioning poor performance in the Public Service. It is envisaged that successful implementation of the framework will serve to encourage excellence, recognize meritocracy, and address the issue of poor performance for a high performing public service.

To ensure compliance with standards, an effective monitoring and evaluation System and institutional arrangement has been specified. Key institutions that will administer the framework include: the Public Service Commission; the Ministry responsible for Public Service; the National Treasury and Ministerial Performance Management Committees.

CHAPTER ONE: INTRODUCTION

1.1 Background

The key role of the Public Service is to translate Government policies into programmes and activities that result in improved quality of life for Kenyans.

Over the years, the Government of Kenya has been engaged in various approaches to public sector reforms necessary for the achievement of national goals and priorities. To ensure that the Public Service operates in an efficient and effective manner, the Government has institutionalized performance management systems that are capable of not only holding managers of public offices accountable but also be able to demonstrate tangible results to the citizens.

Currently, various components of performance management system in Government are implemented as stand-alone systems. These systems include Performance Contracting (PC) and Staff Performance Appraisal System (SPAS) which have largely been without corresponding rewards and sanctions.

A Performance Management System (PMS) is a systematic process for getting better results from an organization, teams and individuals by managing performance within an agreed framework of planned goals, objectives and standards. A PMS is a set of tools, processes and actions that allows for maximization of the performance of employees and institutions.

PMS also provides employees with a clear understanding of job expectations; regular feedback about performance; advice and steps for improving performance; rewards for good performance; and sanctions for poor performance. The overall goal of a PMS is to help boost employee performance and ultimately the achievement of intended results for the organization.

Institutional strategic plans should be broken into manageable and measurable activities cascaded down to individual employee level. Mechanisms for ensuring accountability for results at institutional, team and individual levels should be an in-built feature of the PMS framework. In addition, tools and mechanisms for monitoring and measuring performance results should be established.

The purpose of an integrated PMS is to attract, retain and motivate employees. To ensure that the PMS is effective and that it engenders the desired behavior, it is essential to ensure that the rewards and strategies are linked to or based on performance. Rewarding performance should be an ongoing managerial activity and not just an annual pay-linked ritual.

For the PMS to have the desired impact, all the components of PMS should be integrated. Whereas the PC and SPAS are in place and operational, the Public Service lacks a comprehensive rewards and sanctions framework with clear standards and criteria for rewarding exemplary performance, administering sanctions for poor performance, motivating public servants and enhancing timely service delivery to citizens.

1.2 Statement of the Problem

Whereas the Government has put in place various initiatives for rewarding and sanctioning performance in the Public Service, there lacks a comprehensive framework that is based on the extent to which an individual employee contributes to the performance of the institution.

The non-integrated approach to the current performance management system does not comprehensively address issues of measurement of performance, recognition of exemplary performance, sanctioning of poor performance and implementation of rewards and sanctions.

The various Rewards and Sanctions initiatives have been implemented in an ad hoc and piecemeal manner across the Service. In Ministries and Departments where implementation has been undertaken, there has been lack of uniformity and linkage with performance contracting system.

In some instances, cash bonus for exemplary performance has been awarded on individual requests, while sanctions have never been implemented. All sanctions provided in SPAS are discipline related which makes it difficult to implement. Some agencies are not on Performance Contract hence making it difficult to measure and evaluate performance. In addition, the SPAS in its current form has several attributes relating to values and competencies that cannot be objectively measured and rated and yet they are important for overall assessment of an individual employee.

It is also important to note that there is no centralized institutional Framework to oversee the various Rewards and Sanctions. Currently, initiatives such as Performance Contracting are managed by Performance Contracting Department, SPAS by the Ministry responsible for Public Service, while National Honours and Awards is administered by the Cabinet Office.

The absence of a harmonized framework for administration of a Performance Rewards and Sanctions has made it difficult to provide and implement guidelines that detail circumstances under which recognition initiatives, such as issuance of letters of commendation to employees who perform exceptionally may be granted. A key challenge has been the inability to measure and evaluate individual performance in a manner that is credible and objectively acceptable.

In view of the highlighted weaknesses, the current initiatives have not fully realized the intended purpose, hence the need to harmonize all initiatives and to develop a comprehensive Performance Rewards and Sanctions Framework in the Public Service.

1.3 Rationale for the Framework

The rationale of the Performance Rewards and Sanctions Framework is to establish a basis for rewarding exemplary performance and administering sanctions for poor performance, motivate employees to have positive attitude to work with a view of enhancing productivity in the Public Service.

An effective performance rewards and sanctions framework will expand visibility of high potential employees across organizations and enhance leadership growth, improve motivation and employee productivity.

A comprehensive Performance Rewards and Sanctions Framework comprising financial and non-financial rewards should be implemented to ensure high levels of staff motivation on a sustainable basis. A Framework should be designed in such a way as to encourage excellence, recognize meritocracy, address poor performance, attract, nurture and retain high performing staff.

1.4 Objectives of the Framework

The overall goal of a comprehensive performance rewards and sanctions framework is to boost performance and ultimately the productivity of the Public Service.

The specific objectives of the Performance Rewards and Sanctions Framework are to:

- (i) Establish a basis for rewarding exemplary performance;
- (ii) Link rewards and sanctions to measurable performance;
- (iii) Motivate public servants for improved productivity;
- (iv) Encourage competitiveness in service delivery ; and
- (v) Promote innovation and creativity in service delivery;

1.5 Scope of the Framework

The Framework will be applicable to all categories of staff in the public service.

CHAPTER TWO: SITUATION ANALYSIS

2.0 Introduction

The need to recognize and reward exemplary performance of Public Officers dates back to the 1970's and 1980's. The Ndegwa Commission (1970- 1971), the Waruhiu Report (1979 -1980) and the Ramtu Report (1985) identified the need for introduction of performance evaluation and creation of a Performance Award Scheme as a means of rewarding and improving performance and addressing the challenge of low employee morale in the Public Service.

Specifically, the Waruhiu Committee Report emphasized the importance of performance evaluation through performance appraisal and the need to award annual increment on salary based on individual performance. The Ramtu Committee Report on the other hand recommended creation of a merit award scheme linked to outstanding performance on the basis of an effective Performance Appraisal System.

2.1. Current Rewards and Sanctions

Several initiatives have been developed and implemented to reward exemplary performance and sanction poor performance in the Public Service. Other initiatives have been proposed and are under consideration. These, among others, include:

- i) Framework for Administering Incentives and Sanctions in the Public Service under Performance Contracting;
- ii) Staff Performance Appraisal System (SPAS);

- iii) National Honors and Awards;
- iv) Letters of Commendation;
- v) Promotions and Demotions;
- vi) Long Service Awards; and
- vii) High Achievers Scheme

2.1.1 Framework for Administering Incentives and Sanctions in the Public Service under Performance Contracting

The objective of the proposed Rewards and Sanctions Framework under performance contracting is to reward and sanction institutions, managers and employees. Successful implementation of performance contracts is predicated on three key sub-systems that include Performance Information; Performance Evaluation; and Performance Incentives and Sanctions.

The Performance Incentives and Sanctions System links Rewards and Sanctions with measurable performance. The objective is to ensure clear linkages between the results of evaluation and the incentives and sanctions system for sustained tangible performance.

It is notable that Performance Information and Evaluation Systems are now in place and have registered tremendous success. However, Performance Incentives and Sanctions system has been sparingly implemented.

The objectives of implementing an incentives and sanctions system within the Framework of performance contracting are to:

- i) Establish a basis for rewarding exemplary performance and administering sanctions for non-performance;
- ii) Encourage competition in service delivery in the Public Service;
- iii) Motivate Public Service managers to benchmark performance with best practices globally and to surpass them; and
- iv) Harmonize the incentives and sanctions applicable to holders of public office irrespective of whether the institution generates revenue or delivers service.

The Rewards and Sanctions under Performance

Contracting were proposed to be administered as follows:

1. Managerial and employee performance – a monthly bonus based on basic salary. A 13th month basic salary graduated as per the individual composite score awarded to all the employees who achieve “Excellent” and “Very Good” performance.
2. For Principal Secretaries/Accounting Officers– “Excellent” and “Very Good” performance -renewal of contract (where applicable)
3. Other employees below the level of Principal Secretaries/Accounting Officers
 - (i) Merit promotion – those with composite/percentage score higher than 130 % of 1.00 - 2.40 (“Excellent”), in line with the requirements of the schemes of service.

(ii) Letter/certificate of commendation – those with composite/ percentage score of of upto 130% 2.40 – 3.0 (“Very Good”).

4. The administration of sanctions for Agency Performance were proposed as follows:

(i) “Fair” performance - cautionary letter by H.E the President

(ii) “Poor” performance - censure letter by H.E the President

For all other cadre of employees below the level of Principal Secretaries / Accounting Officers, the following was proposed:

Good Performance

1st year – cautionary letter

2nd year – warning letter

3rd year – separation

Fair Performance

1st year – warning letter

2nd year – demotion

3rd year – separation

Poor Performance

1st year – Separation

Ministries/Departments that achieve “Fair” performance, the Cabinet Secretaries to receive a cautionary letter from H.E the President.

Ministries/Departments that achieve “Poor” performance, the Cabinet Secretaries to be relieved of their duties.

2.1.2 Staff Performance Appraisal System (SPAS)

Staff Performance Appraisal is a systematic way of planning, reviewing and assessing the performance of an employee during a specified period of time based on agreed performance targets. SPAS is a tool to measure, improve and recognize the performance of the employee.

The objectives of SPAS are to:-

- i. Link individual performance targets with organizational strategic objectives and workplan;
- ii. Promote communication between Appraisee and Supervisor with continuous feedback on work progress;
- iii. Set the basis on which an officer’s performance is monitored and evaluated as stipulated in the individual work plan;
- iv. Align operational and financial performance targets with budgetary provisions
- v. Assess the learning and development needs of staff on a timely basis;
- vi. Provide information for decision making on administrative and human resource issues such as renewal of contracts, promotions, delegation of duties, training, deployment, rewards and sanctions.

Rewards and Sanctions under the Staff Performance Appraisal System are administered as follows:

- | | |
|-------------------|---|
| (i) 'Excellent' | -bonus reward of one month's salary |
| (ii) 'Poor' | -1st year - cautionary letter
-2 nd year - warning letter
-3 rd year - separation |
| (iii) 'Very poor' | -1st year - warning letter
-2nd year - separation |

2.1.3 National Honours and Awards

The President is mandated under the Constitution to confer Honours and Awards in the name of the people and the Republic. In undertaking this function, the Head of State is supported by a National Committee on Honours and Awards. The National Committee is in turn supported by a Secretariat whose functions are to receive nominations, ensure conformity to the eligibility rules and subsequently submit the edited lists to the National Committee. The Secretariat also liaises with Ministries, Departments, and Agencies (MDAs) of Government that are the source of citations and nominations for the Honours and Awards.

It is acknowledged that conferment of National Honours and Awards has the potential to improve service delivery by individuals.

2.1.4 Letters of Commendation by Authorized Officers

A letter of commendation is given to an employee who, in the exercise of assigned duties distinguishes himself or herself in performance that contributes to increased

output and institutional efficiency. In some cases, an employee may be issued a letter of commendation in addition to other rewards.

Issuance of letters of commendation is not common in the Public Service. Moreover, such letters have had no significant impact in performance management. In developing a comprehensive Performance Rewards and Sanctions Framework, there is need to determine, and clearly communicate, the place for letters of commendation.

Due care will need to be taken to infuse objectivity, acceptability, and standards in issuance of letters of commendation for purposes of performance rewards and sanctions. There is, therefore, need to develop guidelines to guide Authorized Officers during the administration of letters of commendation.

2.1.5 Promotions and Demotions

Promotion is the conferment upon a person of an office with a higher salary or higher salary scale than that attached to the office to which the person was last substantively appointed. Promotion serves to recognize a job well done; retain and reward employees; increase individual and organizational effectiveness; promote a sense of job satisfaction; build loyalty, morale and a sense of belonging for the employee; and to impress upon others that opportunities are open to all employees.

On the other hand, demotion is movement of an employee from one job grade to a lower job grade. Demotion also means that an employee is reassigned a position with a

salary range that is lower than the salary range of his or her former position.

2.1.6 Long Service Awards

This is an award issued to members of support staff upon completion of twenty five (25) year exemplary service. The award in form of a certificate is personally signed by the Authorized officer.

2.1.7 High Achievers Scheme

The objectives of the high achievers scheme are to:

- (i) Develop a critical mass of highly skilled, motivated and qualified employees required to nature a culture of excellence in service delivery;
- (ii) Ensure that potential high performers in the Public Service do not become demotivated;
- (iii) Ensure superior management or ethics through deliberate effort to improve quality and output of the Public Service.

2.2 SWOT Analysis of the Existing Rewards and Sanctions Strategies

Implementation of the existing Rewards and Sanctions Framework has registered some success and challenges. A detailed analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) provides the leverage needed to develop and implement a comprehensive Rewards and Sanctions Framework.

2.2.1 Strengths

- i) Top leadership commitment.
- ii) Existing institutional performance management system.
- iii) Commitment to performance management.
- iv) Institutional capacity to implement performance management system.
- v) Highly trained and skilled personnel.
- vi) Existence of Information Management Systems.

2.2.2 Weaknesses

- i) All arms of Government are not on performance contract.
- ii) Inadequate linkage and integration between planning, resource allocation and results.
- iii) Lack of linkage and integration between institutional and individual performance.
- iv) Lack of an operational comprehensive system for rewards and sanctions.
- v) Weak monitoring and evaluation of performance management.
- vi) Inadequate communication and dissemination of PMS.
- vii) Inadequate participation in identification and ownership of institutional performance targets.
- viii) Unclear job descriptions.
- ix) Problems in setting SMART performance targets.
- x) Inadequate appraisal skills.
- xi) Inadequate understanding and appreciation of PMS.

- xii) Insufficient participation and ownership of the institutional strategic plans.
- xiii) Lack of work planning.
- xiv) Target setting process is not adequately participatory and consultative.
- xv) Targets are not adequately aligned to strategic plans and Kenya Vision 2030.
- xvi) Lack of understanding and appreciation of SPAS.

2.2.3 Opportunities

- i) Political goodwill.
- ii) Improved productivity and accountability.
- iii) Ability to translate employer's strategic goals into individual employee's goals.
- iv) Potential to enhance morale and job satisfaction.
- v) Proper deployment of staff.
- vi) Development of job descriptions.
- vii) Public demand for accountability and results.
- viii) Prudent utilization of resources.

2.2.4 Threats

- i) Negative perception by employees on PMS.
- ii) Resistance to change.
- iii) Inadequate funding to facilitate implementation of rewards.
- iv) High customer expectations.

2.3 Best Practices in the Administration of the Rewards and Sanctions

Review of the current practices globally indicates that Rewards and Sanctions are implemented in both public and private organizations to recognize and reward exemplary performance and to sanction poor performance. The main purpose of implementing rewards and sanctions is to improve productivity and to enhance service delivery.

Pre-requisites for successful implementation of Rewards and Sanctions include:

- (i) Mechanisms to establish expected performance levels by employees;
- (ii) Effective communication on rewards and sanctions to employees;
- (iii) Creation of systems to inculcate the culture of performance;
- (iv) Assessment of motivation of key players as well as balance between financial and non - financial motivation at organizational, team or individual levels;
- (v) Linkage of the incentives to performance measures which lead to the desired (long-term) outcomes in a predictable way;
- (vi) Cost effectiveness of the rewards and sanctions;
- (vii) Safeguards to ensure accountability and transparency;

- (viii) Data systems for collection and analysis of timely and reliable performance data.
- (ix) Expertise to apply rewards and sanctions in a timely, consistent and transparent manner; and
- (x) Monitoring and evaluation mechanism to review the effectiveness of the rewards and sanctions.

CHAPTER THREE: REWARDS AND SANCTIONS

3.1 Introduction

This chapter outlines various Rewards and Sanctions. It is envisaged that successful implementation of these rewards and sanctions will improve service delivery, motivate public officers and reward exemplary performance while sanctioning poor performance.

Application of rewards and sanctions at the managerial and employee levels will be based on the extent of managers' and employees' contribution to the institutional performance. This means that evaluation of the institution performance and individual employee performance should be explicitly linked. In this case, there should be mutually reinforcing monitoring and evaluation mechanisms.

3.2 Guiding Principles for Rewards and Sanctions

A highly effective and productive Public Service requires proactive human resource management and development policies and strategies to attract, nurture, develop and retain high performing employees. The objective is to ensure high levels of staff motivation on a sustainable basis, encourage excellence, discourage mediocrity and address poor performance.

The implementation of Rewards and Sanctions Framework will be guided by the following principles:

- i) **Performance Standards:** Guidelines for setting realistic and measurable standards of performance and for supporting employees to achieve the standards set should be established;

- ii) **Fairness:** The administration of Rewards and Sanctions should be consistent, prompt, impartial, and reasonable and applied without discrimination;
- iii) **Natural justice:** Administration of sanctions should be guided by the principles of natural justice;
- iv) **Equal opportunities:** Equal opportunities should be availed to all employees;
- v) **Timeliness:** Application of rewards and sanction should be done in a timely manner in accordance with existing regulations;
- vi) **Right of appeal:** An employee should have a right of appeal against unsatisfactory sanction or reward;
- vii) **Effective Communication mechanisms:** To ensure provision of regular feedback on employees' performance;
- viii) **Coaching and mentoring:** Mechanisms should be put in place to mentor and coach employees for performance improvement; and
- ix) **Professionalism:** Uphold professional ethics and standards.

3.3 Levels of Application of Rewards and Sanctions

- a) Performance rewards and sanctions will be applicable in two levels namely:
 - i) Agency performance – performance of a Public Service Agency; and

- ii) Managerial and employee performance – performance of a manager or employee of a Public Service Agency.
- b) The Performance Rewards and Sanctions Framework will be applicable to the following:
 - i) Cabinet Secretaries;
 - ii) Principal Secretaries and Accounting Officers; and
 - iii) All other cadres of public employees serving in Public Service.

3.3.1 Rewards for exemplary performance

3.3.1.1 Rewards

- i) Floating Presidential trophy for top three institutions in each category.
- ii) Institutional Certificate of Recognition for “Excellent” and “Very Good” performance signed by the Cabinet Secretary in charge of Public Service.

3.3.1.2 Managerial and employee rewards for “Excellent” performance

An employee who attains excellent performance may be considered for any of the following rewards:

- i) Promotions
- ii) Bonus payment graduated as per individual score
- iii) Nomination for National Honours and Awards
- iv) Letters of commendation

- v) Distinguished long service awards
- vi) Paid vacations
- vii) Roll of honour
- viii) Employee of the year award
- ix) Contract renewal.

3.3.2 Sanctions for poor performance

The sanctions under this Framework are purely for poor performance. However, the policy recognizes that poor performance may sometimes be attributed to exogenous factors. In addition, disciplinary related sanctions will be administered according to the laid down disciplinary procedures. The sanctions include:

3.3.2.1 Agency Sanctions

- (i) Institutional cautionary letter by HE the President for fair performance.
- (ii) Institutional censure letter by HE the President and cited for poor performance.

3.3.2.2 Managerial and Employee Sanctions

- (i) Placement on performance improvement plan to attain higher performance for "Good" performance.
- (ii) Placement on performance improvement plan, warning and separation for "Fair" performance.
- (iii) Warning, separation and non-renewal of service or employment contract for "Poor" performance.

3.4 Application of Rewards and Sanctions

3.4.1 Agency Performance

The rewards for agency performance will be administered in accordance with the performance contracting guidelines.

The table below explains the expected level of achievement, performance rating and expected rewards and sanctions for Government agencies.

Table 1: Agency Performance

Achievement of Performance Targets	Rating Scale		Reward / Sanction
Achievement higher than 100% of the agreed performance targets.	Excellent	101% +	Floating Trophy and Certificate of Recognition signed by HE the President
Achievement up to 100% of the agreed performance targets.	Very Good	100%	Certificate of Recognition signed by HE the President
Achievement between 80% and 99% of the agreed performance targets.	Good	80% - 99%	
Achievement between 60% and 79% of the agreed performance targets.	Fair	60% - 79%	Cautionary letter by HE the President
Achievement up to 59% of the agreed performance targets.	Poor	59% and Below	Censure letter by HE the President and cited for poor performance

3.4.2 International Award Recognition

Where an agency wins an international award, they will be recognized with:

- (i) Floating Presidential trophy for an International Award
- (ii) Institutional Certificate of Recognition for International Award signed by the Public Service Commission.

3.4.3 Managerial and Employee Performance

A financial bonus based on basic salary will be awarded for exemplary performance. A 13th month basic salary will be awarded based on individual performance and respective contribution to institutional performance based on individual score for "Excellent" performance.

The table below indicates the expected level of achievement, performance rating and expected rewards and sanctions for Managers and Employees.

Table 2: Managerial and Employee Performance

Achievement of Performance Targets	Rating Scale		Reward/Sanction
Achievement higher than 100% of the agreed performance targets.	Excellent	101% +	13th month salary based on score for "Excellent" performance and Roll of honour
Achievement up to 100% of the agreed performance targets.	Very Good	100%	Letter of commendation
Achievement between 80% and 99% of the agreed performance targets.	Good	80% - 99%	Place on performance improvement plan to attain higher performance
Achievement between 60% and 79% of the agreed performance targets.	Fair	60% - 79%	1 st year – place on performance improvement plan 2 nd year – warning letter 3 rd year – final warning letter 4 th year - separation
Achievement upto 59% of the agreed performance targets.	Poor	59% and Below	1 st year – warning letter 2 nd year – final warning letter 3 rd year - separation

3.4.4 Nomination for National Honours and Awards

The award of National Honours and Awards is in recognition of exemplary performance in service delivery and positive contribution to the wellbeing of society.

a) Criteria for nomination

The following criteria shall be considered in the nomination for an Award:

- i) Unique and exemplary service to the country.
- ii) Innovation that has significant impact on service delivery and enhances the quality of life of the citizens.
- iii) Public participation in the nomination of recipients of the awards.

b) Recall of Award

The Honours and Awards may be recalled if the beneficiary compromises the integrity of the Award.

3.4.5 Letters of Commendation by Authorized Officers

A letter of commendation will be issued to an employee for distinguished performance that contributes to increased output and institutional efficiency.

3.4.6 Promotions

Promotions are a major incentive for hard work and better performance.

The promotion criteria shall include:

- (i) Merit, equity, aptitude and suitability;
- (ii) Prescribed qualifications for holding or acting in the office;
- (iii) Contribution to the efficiency of the public service;
- (iv) The provable experience and demonstrable milestones attained by the employee;
- (v) Integrity of the employee; and
- (vi) The standards, values and principles set out in Articles 10, 27 (4), and 232 (1) of the Constitution.

3.4.7 Long Service Awards

This will be awarded to an employee who has had demonstrable non-interrupted exemplary contribution to the organizations' performance for a minimum period of 15 years.

3.4.8. Paid Vacations

Paid vacations will be granted to employees who have made significant contribution to service delivery in their respective areas besides attaining excellent or very good performance.

3.4.9. Roll of Honour for Excellent Performance

Names of employees who demonstrate excellent performance will be published in the Roll of Honour annually.

3.4.10. Employee of the Year Award

Organizations will identify employees who demonstrate excellent performance during the year and recommend them for consideration of award based on the criteria set out by the Public Service Commission.

3.4.11. Contract Renewal

Contract renewals will be based on performance subject to the employee's terms and conditions of service.

3.4.12. International Award Recognition

An employee, who wins an international award, will be recognized with a Certificate of Recognition for International Award signed by the Public Service Commission.

3.5 Administration of Sanctions

The sanctions under this Framework are purely for poor performance. Disciplinary related sanctions will be administered according to the laid down disciplinary procedures. The sanctions are:

3.5.1 Agency Performance:

The sanctions for the agency will be administered in accordance with the performance contracting guidelines.

In the case of agency performance that attracts sanctions, the following will be applied:

- i) A cautionary letter by H.E. the President to Ministries and Departments whose performance falls under "Good".
- ii) A Censure letter by H.E. the President to Ministries and Departments whose performance falls under "Fair" or "Poor".

3.5.1.1 Institutional cautionary letter

The Cabinet Secretaries in charge of Ministries and Departments whose performance falls under "Good" with a score of 80% - 99% will be issued with a cautionary letter by H.E. the President.

3.5.1.2 Institutional censure letter

The Cabinet Secretaries in charge of Ministries and Departments whose performance falls under "Fair" or "Poor" with a score of 60% - 79% and 59% and below respectively will be issued with a censure letter by H.E. the President.

3.5.1.3 Managerial and Employee Performance

In the case of managerial performance that attracts sanctions, the following will be applied:

For Principal Secretaries/Accounting Officers whose performance is "Fair" or "Poor", employment contract/tenure will be terminated. For all other cadre of employees below the level of Principal Secretaries/Accounting Officers, the following will be applied:

“Good” Performance

Place on performance improvement plan to attain higher performance

“Fair” Performance

1st year – place on performance improvement plan

2nd year – warning letter

3rd year - final warning letter

4th year - separation

“Poor” performance

1st year - warning letter

2nd year –final warning letter

3rd year - separation

CHAPTER FOUR: INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION OF REWARDS AND SANCTIONS FRAMEWORK

4.1 Introduction

The critical role of the institutional arrangement in implementation of rewards and sanctions is to ensure compliance with the framework; monitor impact; and make reviews where necessary. To ensure that rewards and sanctions are administered effectively, an integrated performance management system is necessary.

Currently, the different components of Performance Management System are Performance contracting and Performance Appraisal system coordinated by the Performance Contracting and Human Resource Management Divisions under the Ministry responsible for Public Service; the National Honours and Awards under the purview of the Cabinet Office while rewards and sanctions are administered by Ministries and the Public Service Commission. However, the policy recommends that the performance rewards and sanctions framework in respect of civil servants be administered by the Public Service Commission.

The institutional arrangement for implementation of the Performance Rewards and Sanctions Framework will be administered by the Public Service Commission; the Ministry responsible for Public Service and Ministerial Performance Management Committees.

4.2 Institutional Arrangement for the Implementation of Rewards and Sanctions Scheme

4.2.1 Public Service Commission

The Public Service Commission will:

- i) approve and issue the Framework and subsequent guidelines and recommend review as and when necessary;
- ii) be responsible for the administration of the rewards and sanctions policy;
- iii) review and approve proposals for officers who have been recommended for the 13th salary; and
- iv) handle cases of appeals after employees have exhausted all review mechanisms under this Framework.

4.2.2 Ministry responsible for Public Service

The Ministry responsible for public service will perform the following functions:

- (i) Co-ordinate implementation of rewards and sanctions policy in the Public Service;
- (ii) Liaise with the National Treasury for funding; and
- (iii) Monitor, evaluate and report on the implementation of the Rewards and Sanctions Framework.

4.2.3. Ministerial Performance Management Committee (MPMC)

The Cabinet Secretary will appoint the Ministerial Performance Management Committee whose membership will be as follows:

- (i) Principal Secretary – Chairperson
- (ii) Head of Administration (Not below the level of Director of Administration) – Alternate Chairperson
- (iii) Head of the Human Resource Management and Development - Secretary
- (iv) Heads of Technical Departments - Members
- (v) Head of Central Planning Unit.

4.2.3.1 Functions of the Ministerial Performance Management Committee (MPMC)

The functions of the Committee shall be as follows:

- i) Undertake quarterly review of implementation of Strategic Plans and Performance Contracts;
- ii) Ensure linkage between Institutional Performance Contract and Performance Appraisal System;
- iii) Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff Performance Appraisal System;
- iv) Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
- v) Hold quarterly performance review meetings;

- vi) Consider performance reports from various departments within the Ministry and make recommendations for improvement;
- vii) Review cases of appeals on appraisal ratings between supervisors and appraisees;
- viii) Make recommendations to the Cabinet Secretary on the application of Rewards or Sanctions;
- ix) Develop and implement the internal monitoring and evaluation and reporting system; and
- x) Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

For National Government staff serving in the counties, the County Human Resource Advisory Committee (CHRAC) shall handle all performance management matters.

4.2.3.2 Rules of Conduct for the Ministerial Performance Management Committee

- i) Members of the Performance Management Committee shall be expected to perform their duties with diligence, integrity, impartiality and confidentiality.
- ii) In the event that there is disagreement between the supervisor and an appraisee on assessment of performance, the Committee will moderate the scores based on verifiable performance indicators and make recommendation to the Cabinet Secretary.
- iii) Members of the Performance Management Committee will not discuss or make

recommendations in respect of their own performance reports. The Principal Secretary shall complete the Performance Appraisal reports for the members of the Committee and make appropriate recommendations to the Cabinet Secretary.

- iv) Members of the Performance Management Committee may also be eligible for the awards, provided that they excuse themselves from participating in any decision-making regarding any award for which they are being considered.

5.0 Monitoring and Evaluation of Performance

- (i) The overall objective of carrying out monitoring and evaluation is to ascertain the extent to which the implementation of rewards and sanctions positively contributes to improved performance at institutional and individual levels.
- (ii) Monitoring and Evaluation will also provide critical information on extent to which the Framework shall be able to identify and reward good performance; identify and sanction poor performance by individuals and institutions; and identification of individual contribution to institutional performance.
- (iii) Monitoring and evaluation will serve to capture the lessons learnt in the implementation of the rewards and sanctions framework with a view to ensuring sustainability in recognizing and rewarding excellent performance while sanctioning poor performance.
- (iv) A key source for data and information for the monitoring and evaluation of the performance

rewards and sanctions framework shall be the individual and institutional performance evaluation reports.

- (v) The reporting mechanisms and continuous feedback will be undertaken through the institutional framework provided in this policy. The Ministry responsible for Public Service will coordinate the implementation of the Policy and recommend relevant action to the Public Service Commission.



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Mission

To transform the public service to be dynamic, professional, efficient and effective for the realization of national development goals

Vision

To be the lead service commission in the provision, management and development of competent human resource in the Public Service.

Core Values

Integrity
Professionalism
Equity and Diversity
Team Spirit
Transparency and Accountability
Creativity and
Continual Improvement